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09/11/19
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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Annual
Local and Flexible Procurement Obligations
for the 2019 and 2020 Compliance Years.

R.17-09-020
(Filed September 28, 2017)

**PETITION FOR MODIFICATION OF DECISION 19-02-022 BY
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

PUBLIC VERSION

[EXHIBIT 2 CONTAINS CONFIDENTIAL INFORMATION]

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Dated: September 11, 2019

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PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

In accordance with Rule 16.4 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, Pacific Gas and Electric Company (“PG&E”) submits this petition for modification (“Petition”) of Decision 19-02-022, effective February 21, 2019 (the “Track 2 Decision”). The Track 2 Decision ordered disaggregation of the “PG&E Other” local capacity area (“LCA”) for local resource adequacy (“RA”) compliance purposes, among other things. By this Petition, PG&E alerts the Commission of potential compliance issues associated with disaggregation of the “PG&E Other” LCA and respectfully requests that the Commission modify the Track 2 Decision to provide an “Alternative ‘PG&E Other’ LCA RA Compliance Mechanism” (described below in Section III of this Petition) for fulfillment by load serving entities (“LSEs”) of their newly disaggregated “PG&E Other” LCA requirements. The alternative compliance mechanism proposed in this Petition would be available to LSEs for the annual RA compliance showing due on October 31 of each year for the local RA requirements and for the respective monthly local RA compliance requirements. This modification is necessary to avoid potential significant non-compliance issues related to the Commission’s local RA program despite LSE good faith efforts.

This Petition complies with the requirements in Rule 16.4(b) by concisely stating the justification for the requested relief and proposing specific wording in Exhibit 1 to carry out all requested modifications to the Track 2 Decision. Factual allegations are supported with specific

citations to the record in the proceeding, and allegations of new facts are supported by the declaration of Anna Foglesong attached hereto as Exhibit 2 (“Declaration”). This Petition is being served on all parties to Rulemaking 17-09-020 in accordance with Rule 16.4(c). Finally, this Petition is being filed less than a year after the effective date of the Track 2 Decision and thus is permitted under Rule 16.4(d).

In addition, as discussed below in Section IV, PG&E requests expedited consideration of this Petition and is concurrently filing a motion to shorten the comment period, due to the exigencies noted in this Petition. PG&E seeks a final decision on this Petition prior to the annual RA compliance showing deadline of October 31, 2019, in order to provide LSEs with certainty regarding compliance issues.

I. BACKGROUND

Below, PG&E sets forth background information necessary to understand the reasons for PG&E’s submittal of this Petition, including information related to (A) the establishment of the “PG&E Other” LCA, (B) disaggregation of the “PG&E Other” LCA in the Track 2 Decision, (C) Energy Division’s report titled “The State of the Resource Adequacy Market,” issued on September 3, 2019, and (D) PG&E’s relevant research and market activities since the issuance of the Track 2 Decision.

A. THE “PG&E OTHER” LOCAL CAPACITY AREA

Decision 06-06-064 established an approach for aggregation of certain LCAs for RA purposes in 2007 in order to address market power concerns.¹ After determining each LSE’s local RA obligation in each LCA, the Commission determined that six LCAs within the PG&E territory (Humboldt, North Coast/North Bay, Sierra, Stockton, Greater Fresno, and Kern) should be aggregated as one such that an LSE could procure RA capacity in any of these LCAs to fulfill their aggregated requirement.² These six aggregated LCAs are collectively known as the “PG&E

¹ Decision 06-06-064, pp. 35-38, Finding of Fact 48, Conclusion of Law 15, Ordering Paragraph 1.

² *Id.*, p. 37.

Other” LCA. The Commission permanently aggregated for RA compliance purposes the “PG&E Other” LCA in Decision 11-06-022.³

B. DISAGGREGATION OF THE “PG&E OTHER” LOCAL CAPACITY AREA IN TRACK 2 OF THIS PROCEEDING

Although it was permanently aggregated in Decision 11-06-022, the “PG&E Other” LCA was disaggregated in Track 2 of this proceeding. In PG&E’s opening testimony in Track 2 of this proceeding, PG&E supported the establishment of a central procurement entity that would procure RA capacity to fulfill all local RA requirements on behalf of all Commission-jurisdictional LSEs on a front stop basis.⁴ Recognizing that establishing a central procurement entity would take time, PG&E also proposed a transitional framework as a segue into a full central procurement structure.⁵ As part of this transitional framework, PG&E supported disaggregation of the “PG&E Other” LCA while also expanding the portfolio of the existing Cost Allocation Mechanism (“CAM”)-eligible resources.⁶ PG&E proposed that such CAM-eligible resources should be expanded to include non-Renewables Portfolio Standard (“RPS”) investor-owned utility (“IOU”) generation resources and non-RPS IOU-contracted resources that are in LCAs.⁷ The resources in CAM would then offset the local obligations, with only the remaining obligation allocated to LSEs.⁸ Adoption of both of these elements – disaggregation of “PG&E Other” LCA and CAM expansion – would have simplified any attempt at disaggregated procurement in the “PG&E Other” LCAs to meet local needs, allowing LSEs to focus only on a smaller set of transactions (and therefore further reducing the potential need for California Independent System Operator Corporation (“CAISO”) backstop procurement).⁹

³ Decision 11-06-022, Ordering Paragraph 9.

⁴ *Pacific Gas and Electric Company Generation Resource Adequacy Program Prepared Testimony*, dated July 10, 2018 (“PG&E Opening Testimony”), p. 1-1, lines 29-33.

⁵ *Id.*, p. 2-12, lines 13-15.

⁶ *Id.*, pp. 1-2, lines 4-13; 2-12, lines 20-30.

⁷ *Id.*, p. 2-12, lines 28-30.

⁸ *Id.*, p. 1-12, lines 10-17.

⁹ *Id.* This is because all LCAs would be reduced by IOU-controlled resources rather than attempting to have each LSE fully address individual requirements through solicitations and bilateral transactions under

Other parties, including Calpine Corporation and Shell Energy North America (US), L.P. (“Shell Energy”), also proposed disaggregating LCAs into more granular levels, including the “PG&E Other” LCA.¹⁰ The CAISO and Shell Energy, which both supported disaggregation of LCAs, recognized the need to address market power issues and introduced measures to mitigate the impact, including the concept of price caps for LCAs.¹¹ Thus, the proposals in Track 2 of this proceeding to disaggregate the “PG&E Other” LCA also introduced measures to address market power concerns.

Ultimately, the Track 2 Decision adopted multi-year LSE-based local RA requirements with a minimum three-year forward duration instead of a central procurement structure¹² and disaggregated the “PG&E Other” LCA without adopting specific measures, like PG&E’s CAM expansion proposal or price caps, to address concerns, instead relying on market mechanisms (i.e. request-for-offers (“RFOs”) and bilateral transactions) to attempt to transfer the necessary capacities among all LSEs.¹³ The Commission stated in the Track 2 Decision that “disaggregation of local capacity areas is a necessary first step towards addressing inefficient procurement that may lead to backstop procurement under an LSE-based procurement structure.”¹⁴

Notably, the impact of adopting disaggregation of the “PG&E Other” LCA without additional measures to mitigate concerns was not thoroughly discussed by PG&E or other parties in proposals, workshops, or comments, so there is inadequate information in the existing record discussing the factors that would make such an outcome extremely challenging for LSEs with

tight timeframes. If the CAM expansion proposal had been adopted, LSEs’ focus would be solely on the remaining resources in each LCA necessary to meet local requirements.

¹⁰ *Testimony of Matthew Barmack on Behalf of Calpine Corporation*, dated July 10, 2018, Appendix A, p. A-3; *Comments of Shell Energy North America (US), L.P. on Track 2 Procedure*, dated August 8, 2018 (“Shell Comments”), Appendix B, p. 8.

¹¹ *California Independent System Operator Corporation Track 2 Reply Comments*, dated August 8, 2018, p. 5; Shell Comments, Appendix B, p. 8.

¹² Track 2 Decision, Ordering Paragraphs 1, 2, and 8.

¹³ *Id.*, Ordering Paragraph 15. The Commission stated: “The Commission sees value in PG&E’s proposal to allocate its non-RPS local resources in the “PG&E Other” area through the CAM mechanism. However, we decline to do so at this time, absent adoption of a central procurement mechanism for this area.” *Id.*, p. 31.

¹⁴ *Id.*, Finding of Fact 13.

requirements in the “PG&E Other” LCA. Further, disaggregation of the “PG&E Other” LCA was not included in the original proposed decision issued on November 21, 2018 (because the original proposed decision adopted a full central procurement model, making disaggregation of the “PG&E Other” LCA unnecessary),¹⁵ and parties did not have a procedural opportunity to comment on and raise this major issue with the February 15, 2019 revised agenda decision adopting disaggregation of the “PG&E Other” LCA¹⁶ prior to it being voted upon by the Commission six days later on February 21, 2019. Parties were also prohibited from engaging in ex parte communications regarding the substantive changes to the original proposed decision during the six days between issuance of the revised proposed decision and the voting meeting because an ex parte ban was in place. As a result, parties were unable to alert the Commission of potential concerns prior to the issuance of the Track 2 Decision and instead were required to work towards achieving compliance over the past seven months.¹⁷

C. ENERGY DIVISION’S SEPTEMBER 3, 2019 RESOURCE ADEQUACY STATE OF THE MARKET REPORT

In order to increase transparency for market participants into the current RA market structure, the Track 2 Decision directed Energy Division staff to prepare two reports that address, among other things: information regarding local deficiencies, including the number of LSEs that are deficient, type of LSE, location of deficiencies, amount of deficiencies (in megawatts), number of local RA waiver requests, and anonymized statements from the LSE as to the reason for the deficiency (such as which generators bid into the solicitation, whether the bids included dispatch rights, or other terms addressing how local resources bid in the energy market).¹⁸ On September 3, 2019, Energy Division Staff published the first of the two reports (“September 3 Staff Report”)

¹⁵ Proposed *Decision Refining the Resource Adequacy Program*, mailed November 21, 2018.

¹⁶ Agenda ID #17045 (Rev. 1) was circulated to the parties on February 15, 2019, via email.

¹⁷ Two other petitions for modification of the Track 2 Decision were filed in this proceeding on March 18, 2019, and May 24, 2019. At the time for responses to those filings, PG&E did not know all of the information regarding its market interactions discussed in this Petition and, therefore, could not have alerted the Commission of all of this information in comments to the prior petitions.

¹⁸ Track 2 Decision, Ordering Paragraphs 16 and 17.

for the 2019 compliance year.¹⁹

The September 3 Staff Report includes important information regarding some of the factors contributing to the need for this Petition. As part of the Commission's local RA program, the Commission has instituted a process for an individual LSE to be granted a waiver of penalties for failure to meet its local RA requirements (or being deficient) under specific circumstances.²⁰ The September 3 Staff Report concluded that, for the 2019 RA compliance year, as many as nine LSEs were deficient in the "PG&E Other" LCA in the year-ahead showing and as many as six LSEs were deficient in the "PG&E Other" LCA in the month-ahead showings.²¹ As part of the local RA waiver process, LSEs noted reasons for their inability to procure sufficient local RA capacity to meet their local RA obligations.²² While LSEs had participated in sellers' solicitations, issued their own solicitations, and contacted market generators, brokers, and other LSEs, some LSEs were unable to procure sufficient capacity even when prices offered to purchase were well above the previous local RA trigger price of \$40/kW-year.²³

Based on the September 3 Staff Report, there appears to be a lack of depth in the local RA market, particularly in the "PG&E Other" LCA during the 2019 compliance year. PG&E's market research and activities since the issuance of the Track 2 Decision suggest that the same problems will continue, and may increase, in future compliance years.²⁴ This is especially true because the Track 2 Decision ordered the disaggregation of the "PG&E Other" LCA, creating an even greater challenge for LSEs that must now procure in each of the six LCAs comprising the "PG&E Other" LCA, rather than in any of the six LCAs where local capacity may be available.

¹⁹ *Assigned Commissioner's Ruling on Energy Division's Resource Adequacy State of the Market Report*, dated September 3, 2019, Appendix A - *The State of the Resource Adequacy Market* ("Energy Division Report").

²⁰ Decision 06-06-064, Conclusion of Law 28 and Ordering Paragraph 1; Decision 07-06-029.

²¹ Energy Division Report, pp. 15-16.

²² *Id.*, p. 14.

²³ *Ibid.*

²⁴ See Section I.D of this Petition for information regarding PG&E's research and market activities since the issuance of the Track 2 Decision.

D. PG&E’S RESEARCH AND MARKET ACTIVITIES SHOWING THAT DISAGGREGATION HAS NOT YET ALLOWED FOR EFFICIENT PROCUREMENT

Based on PG&E’s research and market activities since the issuance of the Track 2 Decision, it is PG&E’s belief that, although disaggregation of the “PG&E Other” LCA may be a necessary first step towards addressing inefficient procurement in meeting individual LCA needs (which was the stated reason for the Commission’s decision to disaggregate in the Track 2 Decision), disaggregation of the “PG&E Other” LCA is not fully achievable at this time under the decentralized procurement paradigm established. PG&E’s research outlined below indicates that capacity located in the “PG&E Other” LCA has been procured by parties other than PG&E that are likely unmotivated to transact with LSEs that have “PG&E Other” LCA requirements. PG&E believes it is important to inform the Commission and other LSEs of its conclusion that this market paradigm is not performing effectively to meet the Commission’s objectives. As PG&E stated in its 2019 Multi-Year RA Sale Solicitation communications, it does not expect that the RA quantities available for sale in PG&E’s 2019 Multi-Year RA Sale Solicitation will fulfill all LSEs’ “PG&E Other” LCA-related RA obligations.²⁵ PG&E’s requests for offers for capacity in four LCAs, described below in Section I.D.2, further demonstrate that PG&E is seeking to procure, similar to other LSEs. All of this information suggests that at least some LSEs will be unable to efficiently procure in the disaggregated “PG&E Other” LCA prior to October 31, 2019 and potentially for future annual RA compliance filing showings.

Below, PG&E first identifies factors that create significant barriers for LSE compliance with disaggregated local RA procurement obligations in the “PG&E Other” LCA.²⁶ During the

²⁵ See, e.g., 2019 Multi-Year Resource Adequacy (RA) Solicitation, Questions and Answers, *available at* https://www.pge.com/pge_global/common/pdfs/for-our-business-partners/energy-supply/electric-rfo/wholesale-electric-power-procurement/2019%20Multi-Year%20RA%20Solicitation/Questions%20and%20Answers%20-%202019%20Pre-Issuance%20Participants%20Conference_FINAL.pdf.

²⁶ PG&E’s identification of the factors in this Section of the Petition is based on its research and knowledge regarding the California RA market as of the date of this Petition. This information can be derived from publicly available sources.

approximately seven months following issuance of the Track 2 Decision, a significant number of PG&E's interactions with market participants have indicated that these and other factors are preventing LSEs from efficiently procuring local RA to fulfill their disaggregated "PG&E Other" LCA procurement obligations in advance of October 31, 2019 and potentially for future annual RA compliance filing showings.²⁷ Factual information in the Declaration related to PG&E's market interactions occurring in the past several months constitutes new information that PG&E could not have known during the pre-Track 2 Decision period of this proceeding and, therefore, could not have been raised by PG&E (or any other party) in the record or considered by the Commission until now. PG&E also identifies below the various actions PG&E has taken over the past approximately seven months to comply with the disaggregated local RA requirements adopted in the Track 2 Decision.

1. Factors Creating Significant Barriers to LSE Compliance with Disaggregated Procurement Obligations in the "PG&E Other" LCA

There are a number of factors that create significant barriers to LSE compliance with disaggregated procurement obligations in the "PG&E Other" LCA. First, based on PG&E's research, PG&E believes that a substantial share of capacity in the "PG&E Other" LCA is owned by or under contract to non-Commission-jurisdictional municipal utilities that do not have compliance obligations under the Commission's local RA program.²⁸ These non-Commission-jurisdictional entities do not have requirements for each of the disaggregated "PG&E Other" LCAs, and therefore may have little incentive to sell their positions.²⁹ Thus, PG&E observes that municipal utilities that have little incentive to sell capacity in any of the "PG&E Other" LCAs to Commission-jurisdictional LSEs serve as a barrier to meeting the disaggregated local RA compliance obligations.

²⁷ Declaration, ¶ 3.

²⁸ Declaration, ¶ 7. PG&E's research indicates that the following percentages of capacity in the "PG&E Other" LCAs are owned by municipal utilities: 4% of total Kern capacity, 14% of total North Coast North Bay capacity, 17% of total Sierra capacity, and 22% of total Stockton capacity. Declaration, ¶ 8.

²⁹ Declaration, ¶ 9.

PG&E also believes, based on its recent research, that a substantial share of capacity in the “PG&E Other” LCA is owned by or under contract to Commission-jurisdictional entities that do not serve load in PG&E’s service territory.³⁰ Accordingly, these Commission-jurisdictional entities do not have requirements for each of the disaggregated “PG&E Other” LCAs.³¹ PG&E believes that these entities likely procured these resources for other compliance purposes, such as system RA requirements or RPS requirements.³² Therefore, these entities may not be able to sell their positions unless it is in exchange for other RA and the sale does not impact the primary purpose for the original procurement.³³ Thus, PG&E observes that Commission-jurisdictional entities that have little incentive to sell capacity in any of the “PG&E Other” LCAs to LSEs with “PG&E Other” LCA obligations serve as a barrier to meeting the disaggregated local RA compliance obligations.³⁴

Based on PG&E’s research, PG&E further understands that some resources currently under development in the “PG&E Other” LCA could come online in the Year 2 and Year 3 RA compliance periods.³⁵ These resources could potentially reduce the impact of the other barriers listed above.³⁶ However, as these resources are not currently on the net qualifying capacity (“NQC”) list, it is not clear how these resources conform with the existing local RA rules as

³⁰ Declaration, ¶10. PG&E’s research indicates that the following percentages of capacity in the “PG&E Other” LCAs are owned by or contracted with Commission-jurisdictional entities that do not have a “PG&E Other” LCA local RA compliance obligation: 10% of total Kern capacity, 30% of total North Coast North Bay capacity, 1% of total Sierra capacity, and 3% of total Stockton capacity. Declaration, ¶11.

³¹ Declaration, ¶12.

³² Declaration, ¶13.

³³ Declaration, ¶14.

³⁴ PG&E notes that in its 2019 Multi-year Sale Solicitation it attempted to offer RA swap transactions, in which an entity holding local attributes that were not needed for that LSE’s compliance could trade the local RA for an equal amount of system and flex RA plus a payment. Declaration, ¶15. While conceptually PG&E envisioned that such a product could resolve problems transferring local RA, it does not appear to be successful to address all situations. Declaration, ¶16.

³⁵ Declaration, ¶17.

³⁶ Declaration, ¶18.

described in the Draft 2020 RA Guide.³⁷ Therefore, PG&E has observed that the uncertainty in how LSEs comply with local RA rules when including resources that come online in the Year 2 and Year 3 compliance periods serves as a barrier to meeting the disaggregated local RA compliance obligations.

2. Actions PG&E has Taken to Comply with the Disaggregated “PG&E Other” LCA Requirements and Make its Capacity Available to the Market

In consultation with its procurement review group, and under the oversight of independent evaluators, PG&E has undertaken the following commercial activities to meet its disaggregated local RA compliance obligations and make its capacity available to the market.³⁸

- 2018 Multi-Year RA Request for Bids launched on March 15, 2018 to sell Local, System and Flex RA for 2019-2022.
- Multi-Year Purchase Electronic Solicitation launched on June 28, 2019 seeking to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton.
- Multi-Year Sale Solicitation – Phase 1 launched on July 26, 2019 for sales of Local, System, and Flexible RA, and Import Allocation Rights for the years 2020 through 2022 pursuant to a confirmation.³⁹
- Market notice issued August 5, 2019 seeking to procure volumes in North Coast/North Bay, Sierra, Kern, and Stockton.
- Market notice issued August 16, 2019 seeking to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton.
- Posted market notice on CAISO Power Contracts Bulletin Board on August 29, 2019 seeking to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton.
- Reached out to broker market to procure volumes in North Coast/North Bay, Sierra, Kern

³⁷ Declaration, ¶19. The Draft 2020 RA Guide has incorporated language allowing IOUs to use CAM resources by listing them on the physical resource tab in the local templates; however, there is no indication of how non-CAM resources that are expected to come online in the 3-year forward period can be used towards meeting an LSE’s local requirements. Declaration, ¶20.

³⁸ Declaration ¶21.

³⁹ PG&E indicated it may also execute a limited number of swaps. For purposes of this solicitation, a swap was limited to PG&E sale of local RA paired with a PG&E purchase of system or local RA.

and Stockton at the CAISO Capacity Procurement Mechanism (CPM) soft-offer cap (\$6.31) in mid-August 2019 (“CPM soft-offer cap”).

- Sent emails and initiated discussions with generators that did not respond to prior notices but own RA capacity in LCAs in an effort to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton.

II. PURPOSE OF THIS PETITION

This Petition seeks to address likely impending compliance issues in the Commission’s local RA program resulting from the disaggregation of the “PG&E Other” LCA in the Track 2 Decision. As described above, while the Commission intended for disaggregation of the “PG&E Other” LCA to improve the state of the RA market by “addressing inefficient procurement that may lead to backstop procurement,”⁴⁰ PG&E now believes that fully disaggregated procurement in the “PG&E Other” LCA is not achievable at this time under the decentralized procurement paradigm ordered in the Track 2 Decision. PG&E believes this is at least in part because it appears that some capacity located in the “PG&E Other” LCA is “stranded” (meaning that it has been procured for a purpose that is unrelated to local RA requirements and it has not been made available for sale). PG&E has more insight into the situation now than it did upon issuance of the Track 2 Decision, because it has seen the capacity that has been made available in its recent solicitations, as well as the capacity that has not been made available. As such, PG&E wanted to inform the Commission and other LSEs of PG&E’s beliefs regarding the current situation, prior to executing transactions in PG&E’s 2019 Multi-Year RA Sale Solicitation.

In PG&E’s view, the difficulties presented by the Commission’s new paradigm threaten to derail LSE compliance despite good faith efforts. In order to avoid such an unintended outcome, PG&E is submitting this Petition to request changes to the Track 2 Decision that would provide LSEs with an alternative way to comply with their “PG&E Other” LCA requirements in the year-

⁴⁰ Track 2 Decision, pp. 30-31, Finding of Fact 13.

ahead compliance showing due October 31 of each year.⁴¹

III. PETITION FOR MODIFICATION

In light of the foregoing, PG&E respectfully requests that the Commission modify the Track 2 Decision to establish the “Alternative ‘PG&E Other’ LCA RA Compliance Mechanism,” the requirements of which are described in the next paragraph of this Section III. The Alternative “PG&E Other” LCA RA Compliance Mechanism utilizes existing Commission processes and procedures that are familiar to parties and would not create any additional complication or require the use of additional resources by parties or the Commission. The Alternative “PG&E Other” LCA RA Compliance Mechanism would be available to LSEs for the annual RA compliance showing due on October 31 of each year for local RA requirements and the respective monthly local RA compliance requirements. Through the Alternative “PG&E Other” LCA RA Compliance Mechanism, LSEs will be able to ensure compliance with their local RA requirements to procure sufficient RA capacity to meet their allocated requirements in each of the disaggregated “PG&E Other” LCAs. Importantly, the modification requested in this Petition would allow LSEs the opportunity to remain in compliance with their procurement obligations at all times and provide certainty in this regard. This is different from the existing local penalty waiver process, which only allows an LSE to request relief from penalties after submitting a compliance filing that demonstrates non-compliance. The local RA waiver process also fails to provide certainty to LSEs, as the Commission retains discretion to deny waiver requests regardless of whether the required demonstrations are made.

To comply through the Alternative “PG&E Other” LCA RA Compliance Mechanism, an LSE will be required to complete two actions: (1) in respect of its disaggregated “PG&E Other”

⁴¹ PG&E understands that some LSEs may plan to submit local RA penalty waiver requests in connection with any failures to meet disaggregated “PG&E Other” LCA requirements. This Petition does not seek to alter the Commission’s local waiver process or make local waivers unavailable to LSEs that qualify for such waivers. Rather, this Petition seeks to provide LSEs with an alternative way to comply with their disaggregated “PG&E Other” LCA requirements, eliminating the need for an LSE to obtain a local RA penalty waiver if it successfully completes the requirements of the alternative mechanism.

LCA requirements, the LSE must make the demonstrations required as part of the current local RA waiver process through submission of a Tier 2 Advice Letter, as ordered in Decision 19-06-026;⁴² and (2) if the LSE is able to make such demonstrations with respect to its disaggregated requirements, then in its October 31 compliance filing the LSE must also demonstrate procurement of local RA capacity within the “PG&E Other” LCAs such that the LSE’s collective procurement of local RA in the Humboldt, North Coast/North Bay, Sierra, Stockton, Fresno and Kern LCAs meets the LSE’s collective requirement for these areas.⁴³

The demonstrations required as part of required action 1 above (i.e. the current local RA waiver requirements) are copied and pasted here for convenience, as follows:

(1) a demonstration that the LSE reasonably and in good faith solicited bids for its RAR capacity needs along with accompanying information about the terms and conditions of the Request for Offer or other form of solicitation, and

(2) a demonstration that despite having actively pursued all commercially reasonable efforts to acquire the resources needed to meet the LSE’s local procurement obligation, it either:

(a) received no bids, or

(b) received no bids for an unbundled RA capacity contract of under \$51 per kW-

⁴² Decision 19-06-026, Ordering Paragraph 8. In other words, the LSE must qualify for and submit a local RA waiver request in the exact same manner as it would do if it was simply seeking a local RA waiver related to a failure to meet its disaggregated “PG&E Other” LCA requirements. Importantly, PG&E’s understanding is that to successfully demonstrate that an LSE has actively pursued commercially reasonable efforts to acquire the resources needed to meet the LSE’s local procurement obligation, the LSE must execute all transactions that were offered to it at prices below the thresholds set forth in Section 21 of the Commission’s RA filing guide provided the LSE include what the LSE believes are reasonable terms and/or conditions. Accordingly, in order to successfully complete action 1 of the Alternative “PG&E Other” LCA RA Compliance Mechanism, an LSE must execute all transactions that were offered to it in each disaggregated LCAs at prices below the applicable thresholds and that include what it believes are reasonable terms and/or conditions, up to its total need in each disaggregated LCA.

⁴³ To be clear, only LSEs that complete the first action (i.e. making the demonstrations required as part of the local waiver process in respect of its disaggregated “PG&E Other” LCA requirements) will be eligible to complete the second action and thereby comply through the Alternative “PG&E Other” LCA RA Compliance Mechanism.

year or for a bundled capacity and energy product of under \$73 per kW-year, or
(c) received bids below these thresholds but such bids included what the LSE believes are unreasonable terms and/or conditions, in which case the waiver request must demonstrate why such terms and/or conditions are unreasonable.⁴⁴

Successful completion of the two actions described above would be sufficient for an LSE to be deemed compliant with its “PG&E Other” LCA requirements in accordance with the Track 2 Decision.

PG&E believes these are reasonable measures to demonstrate compliance with an LSE’s local RA requirements to procure sufficient RA capacity to meet the disaggregation of the “PG&E Other” LCA, given the variety of market issues identified above. The necessary modifications to the Track 2 Decision to implement this modification are set forth in Exhibit 1 to this Petition.

IV. REQUEST FOR EXPEDITED CONSIDERATION

In light of the urgency behind this Petition, PG&E requests that the Commission act on an expedited schedule to consider this Petition. PG&E is concurrently filing a motion to shorten the time for responses to this Petition from 30 days to 7 days. Time is of the essence in resolving the issues presented herein so that the Commission can avoid potentially significant issues arising in the RA program.

V. CONCLUSION

For the reasons discussed above, PG&E urges the Commission to grant the relief sought in this Petition. Granting the Petition would be reasonable and appropriate given the need to mitigate the potential compliance issues in the local RA program created by the barriers described above. Revisions to the Track 2 Decision to remedy the issues presented in this Petition are set forth in Exhibit 1. PG&E appreciates the Commission’s consideration of this Petition and urges expeditious resolution of this matter.

⁴⁴ Decision 06-06-064, Section 3.3.12, as modified by Decision 19-06-026.

Respectfully Submitted,

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Dated: September 11, 2019

EXHBIIT 1

To Petition for Modification of Decision 19-02-022
by Pacific Gas and Electric Company (U 39 E)

Exhibit 1
To Petition for Modification of Decision 19-02-022
by Pacific Gas and Electric Company (U 39 E)

Suggested Revisions to Decision 19-02-022⁴⁵

Pages 29-31 (footnotes omitted)

3.3.1. Disaggregation of Local Areas

The CAISO has continually supported disaggregation of local capacity areas to the local and sub-local capacity area, arguing that this would more closely tie procurement to local capacity needs and operational requirements, result in more efficient and effective local capacity procurement and reduce the need for backstop procurement. Under its transitional LSE-based proposal, PG&E recommends that the “PG&E Other” area be disaggregated to the local capacity area. (PG&E Opening Testimony at 1-7.) PG&E has also provided evidence indicating that there are significant challenges for LSEs to comply with disaggregated “PG&E Other” LCA requirements.

The Commission understands that local area requirements are driven by constraints in sub-local areas and collective deficiencies may arise when procurement does not address certain sub-local constraints, even if all LSEs meet their individual local requirements. The CAISO’s backstop authority and decisions are made based on sub-local needs and collective deficiencies. The Commission also recognizes that the decision to aggregate local areas in the first instance was to mitigate market power in constrained local areas. There appears to be considerable tension between the goals of mitigating market power and minimizing the risk of backstop procurement.

While the Commission agrees with the CAISO that the disaggregation of all local areas to the sub-local area level will more closely tie procurement requirements with local capacity needs and operational requirements, reducing the potential for inefficient local procurement and CAISO backstop procurement, we are not convinced that this level of disaggregation is workable in the current bilateral market and may lead to LSE deficiencies and inevitable backstop procurement, which the Commission is attempting to avoid in this proceeding.

⁴⁵ Suggested revisions are shown in blue, bolded, underlined font.

Because we adopt LSE-based requirements, we believe that the disaggregation of the “PG&E Other” local area is a necessary first step towards addressing inefficient procurement that may lead to backstop procurement. This level of disaggregation will also provide useful feedback to the Commission in assessing further disaggregation to the sub-local area level. The Commission also encourages LSEs to consider sub-local needs when making procurement decisions so as to avoid inefficient procurement.

Recognizing that the disaggregation of the “PG&E Other” LCA may create challenges for LSEs to comply with disaggregated “PG&E Other” LCA requirements, we provide for an alternative compliance mechanism, the “Alternative ‘PG&E Other’ LCA RA Compliance Mechanism,” for LSEs to comply with their local RA requirements in the “PG&E Other” LCA. To comply through the Alternative “PG&E Other” LCA RA Compliance Mechanism, an LSE is required to complete two actions: (1) in respect of its disaggregated “PG&E Other” LCA requirements, the LSE must make the demonstrations required as part of the current local RA waiver process through submission of a Tier 2 Advice Letter, as ordered in Decision 19-06-026; and (2) if the LSE is able to make such demonstrations with respect to its disaggregated requirements, then in its October 31 compliance filing the LSE must also demonstrate procurement of local RA capacity within the “PG&E Other” LCAs such that the LSE’s collective procurement of local RA in the Humboldt, North Coast/North Bay, Sierra, Stockton, Fresno and Kern LCAs meets the LSE’s collective requirement for these areas. For clarity: in order to successfully complete action 1 of the Alternative “PG&E Other” LCA RA Compliance Mechanism, an LSE must execute all transactions that were offered to it in each disaggregated local area at prices below the applicable thresholds and that include what it believes are reasonable terms and/or conditions.

Additionally, PG&E proposes that the Cost Allocation Mechanism (CAM) be applied to all of its existing non-Renewable Portfolio Standard (RPS) utility-owned generation and non-RPS resource contracts in the “PG&E Other” area. (PG&E Opening Testimony at 2-11.) PG&E asserts that “in many local areas, PG&E resources constitute most, if not all, of the local resources. These resources have been approved by the Commission and therefore, should be fully taken into account in each local area, so that other LSEs are not obligated to obtain other

resources where PG&E resources are already in place.” AReM opposes expansion of CAM for this purpose based on a lack of statutory authority.

The Commission sees value in PG&E’s proposal to allocate its non-RPS local resources in the “PG&E Other” area through the CAM mechanism. However, we decline to do so at this time, absent adoption of a central procurement mechanism for this area.

Findings of Fact:

13. The disaggregation of local capacity areas is a necessary first step towards addressing inefficient procurement that may lead to backstop procurement under an LSE-based procurement structure; however, we recognize that, because there are significant challenges for LSEs to comply with disaggregated “PG&E Other” LCA requirements, the disaggregation of “PG&E Other” LCA necessitates an alternative mechanism for compliance to avoid significant non-compliance.

Conclusions of Law:

10. The “PG&E Other” local area should be disaggregated under an LSE-based multi-year local procurement structure and an alternative compliance mechanism, the “Alternative ‘PG&E Other’ LCA RA Compliance Mechanism” described in the discussion portion of this Decision should be made available for LSEs to comply with local RA requirements in the “PG&E Other” LCA.

Ordering Paragraphs:

15. The “Pacific Gas and Electric Company (PG&E) Other” local area shall be disaggregated to the local capacity area. LSEs may utilize the “Alternative ‘PG&E Other’ LCA RA Compliance Mechanism” described in the discussion portion of this Decision to meet disaggregated “PG&E Other” LCA local RA requirements. Any LSE that successfully completes the requirements of the Alternative “PG&E Other” LCA RA Compliance

Mechanism described in the discussion portion of this Decision shall be deemed compliant with its “PG&E Other” LCA requirements in accordance with this Decision.

Exhibit 2
To Petition for Modification of Decision 19-02-022
by Pacific Gas and Electric Company (U 39 E)

*(CONFIDENTIAL PORTIONS OF APPENDIX A OF EXHIBIT 2 HAVE
BEEN EXCLUDED FROM THE PUBLIC VERSION)*

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Annual
Local and Flexible Procurement Obligations
for the 2019 and 2020 Compliance Years.

R.17-09-020
(Filed September 28, 2017)

**DECLARATION OF ANNA FOGLESONG IN SUPPORT OF
PETITION FOR MODIFICATION OF DECISION 19-02-022 BY
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

NOELLE R. FORMOSA

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-4655
Facsimile: (415) 973-5520
E-Mail: Noelle.Formosa@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: September 11, 2019

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Annual
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R.17-09-020
(Filed September 28, 2017)

**DECLARATION OF ANNA FOGLESONG IN SUPPORT OF
PETITION FOR MODIFICATION OF DECISION 19-02-022 BY
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

I, Anna Foglesong, declare as follows under penalty of perjury:

1. My name is Anna Foglesong. I am the Director, Energy Transactions and Legislative Policy at Pacific Gas and Electric Company (“PG&E”). My business address is 77 Beale Street, San Francisco, CA 94105.

2. I submit this declaration in support of the allegations of new facts not previously introduced into the record pursuant to Rule 16.4(b) of the California Public Utilities Commission’s Rules of Practice and Procedure.

3. A significant number of PG&E’s interactions with market participants since the issuance of the Track 2 Decision indicate that the factors set forth in Section I.D of the Petition and other factors are preventing LSEs from efficiently procuring local RA to fulfill their disaggregated “PG&E Other” LCA procurement obligations in advance of the October 31, 2019 and potentially for future annual RA compliance filing showings.

4. Certain of these PG&E interactions with market participants are described in confidential Appendix A to this Declaration (the “Market Interactions”).

5. Each of the Market Interactions took place on a date during the approximately seven months following issuance of the Track 2 Decision.

6. The descriptions of the Market Interactions are true and correct.

7. PG&E’s market research shows that a substantial share of capacity in the “PG&E Other”

LCA is owned by or under contract to non-Commission-jurisdictional municipal utilities that do not have compliance obligations under the Commission's local RA program.

8. PG&E's research indicates that the following percentages of capacity in the "PG&E Other" LCAs are owned by municipal utilities: 4% of total Kern capacity, 14% of total North Coast North Bay capacity, 17% of total Sierra capacity, and 22% of total Stockton capacity.

9. These non-Commission-jurisdictional entities do not have requirements for each of the disaggregated "PG&E Other" LCAs, and therefore may have little incentive to sell their positions.

10. PG&E's market research shows that a substantial share of capacity in the "PG&E Other" LCA is owned by or under contract to Commission-jurisdictional entities that do not serve load in PG&E's service territory.

11. PG&E's research indicates that the following percentages of capacity in the "PG&E Other" LCAs are owned by or contracted with Commission-jurisdictional entities that do not have a "PG&E Other" LCA local RA compliance obligation: 10% of total Kern capacity, 30% of total North Coast North Bay capacity, 1% of total Sierra capacity, and 3% of total Stockton capacity.

12. Accordingly, these Commission-jurisdictional entities do not have requirements for each of the disaggregated "PG&E Other" LCAs.

13. PG&E believes that these entities likely procured these resources for other compliance purposes, such as system RA requirements or RPS requirements.

14. These entities may not be able to sell their positions unless it is in exchange for other RA and the sale does not impact the primary purpose for the original procurement.

15. In its 2019 Multi-year Sale Solicitation, PG&E attempted to offer RA swap transactions, in which an entity holding local attributes that were not needed for that LSE's compliance could trade the local RA for an equal amount of system and flex RA plus a payment.

16. While conceptually PG&E envisioned that such a product could resolve problems transferring local RA, it does not appear to be successful to address all situations.

17. PG&E's market research shows that some resources currently under development in the "PG&E Other" LCA could come online in the Year 2 and Year 3 RA compliance periods.

18. These resources could potentially reduce the impact of the other barriers listed in Section I.D of the Petition.

19. Resources that come online in the Year 2 and Year 3 RA compliance periods are not currently on the net qualifying capacity (“NQC”) list; it is not clear how these resources conform with the existing local RA rules as described in the Draft 2020 RA Guide.

20. The Draft 2020 RA Guide has incorporated language allowing IOUs to use CAM resources by listing them on the physical resource tab in the local templates; however, there is no indication of how non-CAM resources that are expected to come online in the 3-year forward period can be used towards meeting an LSE’s local requirements.

21. In consultation with its procurement review group, and under the oversight of independent evaluators, PG&E has undertaken the following commercial activities to meet its disaggregated local RA compliance obligations and make its capacity available to the market:

- 2018 Multi-Year RA Request for Bids launched on March 15, 2018 to sell Local, System and Flex RA for 2019-2022.
- Multi-Year Purchase Electronic Solicitation launched on June 28, 2019 seeking to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton.
- Multi-Year Sale Solicitation – Phase 1 launched on July 26, 2019 for sales of Local, System, and Flexible RA, and Import Allocation Rights for the years 2020 through 2022 pursuant to a confirmation.¹
- Market notice issued August 5, 2019 seeking to procure volumes in North Coast/North Bay, Sierra, Kern, and Stockton.
- Market notice issued August 16, 2019 seeking to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton.
- Posted market notice on CAISO Power Contracts Bulletin Board on August 29, 2019 seeking to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton.

¹ PG&E indicated it may also execute a limited number of Swaps. For purposes of this Solicitation, a Swap was limited to PG&E sale of Local RA paired with a PG&E purchase of System or Local RA.

- Reached out to broker market to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton at the CAISO Capacity Procurement Mechanism (CPM) soft-offer cap (\$6.31) in mid-August 2019 (“CPM soft-offer cap”).
- Sent emails and initiated discussions with generators that did not respond to prior notices but own RA capacity in local areas of need in an effort to procure volumes in North Coast/North Bay, Sierra, Kern and Stockton.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct and that this declaration was executed on September 11, 2019, at San Francisco, California.

By: /s/ Anna Foglesong
ANNA FOGLESONG

Confidential Appendix A

1. PG&E contacted non-Commission-jurisdictional municipal utilities that own or contract with capacity in the Kern, North Coast/North Bay, Sierra, and Stockton LCAs to inquire about purchasing local capacity in these areas. These entities include: Northern California Power Agency (NCPA) Silicon Valley Power (SVP), City of Palo Alto, Turlock Irrigation District, Power and Water Resources Pooling Authority (PWPR), El Dorado Irrigation District, Placer County Water Agency (PCWA), South Feather Water and Power Agency (SFWPA). [REDACTED]

2. [REDACTED] responded to PG&E's Multi-Year Sale Solicitation (launched on July 26, 2019) with bids that did not include the local capacity PG&E wished to purchase. Within a similar timeframe ([REDACTED]), [REDACTED] launched its Electronic Solicitation ("e-Solicitation"). [REDACTED]

3. [REDACTED] Please see Attachments 3-4 to this Declaration for evidence of communications with [REDACTED] and [REDACTED].

4. PG&E assessed all resources that have capacity in the local areas where PG&E is seeking to buy (North Coast/North Bay, Kern, Stockton and Sierra). PG&E looked at Board of Directors Meeting Notes to understand what capacity Municipal Owned Utilities sold from

particular Local RA resources. PG&E also reviewed Integrated Resource Plans to understand existing contractual relationships between generators and Municipal Owned Utilities and/or other LSEs with respect to resources in these local areas. PG&E also researched the specific Local RA resources via web searches to determine whether any resources had long term contracts with LSEs. Comparing this information to the information PG&E currently has about its own portfolio, as well as the total physical capacity in the Local RA areas, PG&E was able to ascertain which counterparties were most likely to have capacity available to sell. Among other activities, PG&E reached out to all counterparties who own or have contracted with resources in Local RA areas where PG&E is seeking to buy who did not offer into either of PG&E's RA solicitations, as well as asked all counterparties who bid into its Multi-Year RA Sale Solicitation. PG&E asked if each counterparty had Local RA capacity to sell in the particular areas where PG&E was seeking to buy. Please see Attachments 5-11 to this Declaration for examples of communications with the following counterparties:

[REDACTED]

Please see Attachments 12-14 to this Declaration for examples of communications from [REDACTED] indicating that volumes they have available for sale in the four local areas where PG&E is seeking to buy are being offered at prices above the CAISO's CPM soft-offer cap.

[REDACTED]

5. PG&E received [REDACTED] for its Multi-Year Purchase Electronic Solicitation issued on June 28, 2019.

[REDACTED]

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 1

[REDACTED]
[REDACTED]
From: [REDACTED]
Sent: Monday, September 09, 2019 4:16 PM
To: PGE RA RFO
Cc: [REDACTED]
Subject: FW: [REDACTED] cility in PG&E Local Area

From: [REDACTED]
Sent: Wednesday, August 28, 2019 6:31 AM
To: [REDACTED] <[REDACTED]>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: Re: [REDACTED] Facility in PG&E Local Area

[REDACTED]

We certainly would consider a local for local transaction. Let's set up some time to talk. We are relatively free tomorrow and Friday. What time works best for you?

Thanks,

[REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Tuesday, August 27, 2019 10:25:53 PM
To: [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: [REDACTED] Facility in PG&E Local Area

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

[REDACTED]

Thanks for reaching out about the [REDACTED] capacity. We'd certainly be willing to have a discussion about selling this capacity to PG&E. Currently we use the [REDACTED] capacity to meet the [REDACTED] own local RA compliance needs, so our preference would be to swap this capacity for a similar amount of capacity from another local capacity area. Is that something that you would entertain? If not, swapping it for system RA would still be something we would consider, if the price premium is sufficient.

Let me know if you'd like to talk about this by phone, or if you have a proposal ready for us to consider.

Regards,

[REDACTED]

[REDACTED]

D: [REDACTED] | E: [REDACTED]

From: [REDACTED] [mailto:[REDACTED]@pge.com]
Sent: Monday, August 26, 2019 2:03 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: [REDACTED] Facility in PG&E Local Area

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

[REDACTED]

As you may have seen from market notices, PG&E is interested in purchasing RA capacity from the [REDACTED] Local RA Area. I know that [REDACTED] owns the rights to the capacity of the [REDACTED] facility in this location. Would [REDACTED] be willing to entertain a discussion about PG&E purchasing capacity from [REDACTED]

PG&E would be willing to sell [REDACTED] System RA MWs in exchange for the [REDACTED] Local RA MWs associated with [REDACTED] in [REDACTED] for a price premium. PG&E is unable to sell System RA for [REDACTED] due to regulatory restrictions, so [REDACTED] would have to be an outright RA sale to PG&E.

Please let me know if you are interested in having a discussion on this topic or if there is any additional information you need to consider this offer.

Thanks,

[REDACTED]

[REDACTED]
Structured Transactions
Pacific Gas and Electric Company
Office: [REDACTED]
[REDACTED] [pge.com](#)

This correspondence is for discussion purposes only. It is not an offer to buy or sell. Any agreements between the parties are subject to PG&E senior management approval and the prior execution of definitive documents.

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 2

Subject: RE: PG&E's 2019 Multi-Year RA Sale Solicitation: Update

Thanks,

Fax

Subject: RE: PG&E's 2019 Multi-Year RA Sale Solicitation: Update

Hi

Thanks!

Office: [REDACTED] | Cell: [REDACTED] |  [REDACTED] pge.com

Subject: RE: PG&E's 2019 Multi-Year RA Sale Solicitation: Update

Thanks,

Phone [REDACTED]
Fax [REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, August 20, 2019 11:07 AM
To: [REDACTED] <[REDACTED]@pge.com> PGE RA RFO <PGERARFO@pge.com>
Cc: Charles.Janecek@PAConsulting.com; [REDACTED] <[REDACTED]@pge.com>
Subject: Re: PG&E's 2019 Multi-Year RA Sale Solicitation: Update

[REDACTED]

Thursday at 3pm works.

We may consider that request during negotiations. Would you be able to provide us with information related to the unit you would be offering? We want to make sure that it is within the CAISO local RA areas we are interested in.

Thanks,

[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, August 20, 2019 10:26:08 AM
To: [REDACTED] <[REDACTED]@pge.com>; PGE RA RFO <PGERARFO@pge.com>
Cc: Charles.Janecek@PAConsulting.com <Charles.Janecek@PAConsulting.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: PG&E's 2019 Multi-Year RA Sale Solicitation: Update

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

Will Thursday 8/22 3pm PST work? Also, I want to be upfront about this, if we are selling to PG&E we would require a prepayment. If that is not acceptable then I most likely will not be able to get past credit.

Thanks,

[REDACTED]

Phone [REDACTED]
Fax [REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, August 20, 2019 10:05 AM
To: [REDACTED] <[REDACTED]@pge.com> PGE RA RFO <PGERARFO@pge.com>
Cc: Charles.Janecek@PAConsulting.com; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: PG&E's 2019 Multi-Year RA Sale Solicitation: Update

[REDACTED]

We would like to set up a call to discuss this offer. Are you available to talk at some point this week?

11

From: [REDACTED] <[REDACTED]>

Sent: Friday, August 16, 2019 11:58 AM

To: PGE RA RFO <PGERARFO@pge.com>

Subject: PG&E's 2019 Multi-Year RA Sale Solicitation: Update

*****CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*****

We are interested in discussing a potential sale of local RA to PG&E for the

□ □

Phone [REDACTED]

Fax XXXXXXXXXX

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 3

[REDACTED]
From: [REDACTED]
Sent: Friday, August 23, 2019 3:25 PM
To: PGE RA RFO
Cc: [REDACTED]; Charles.Janecek@PAConsulting.com
Subject: [REDACTED] all Notes - August 23, 2019

[REDACTED] call attendees: [REDACTED] [REDACTED]

PG&E call attendees: [REDACTED] [REDACTED] [REDACTED]

IE on the call: Charles Janecek

August 23, 2019

SUMMARY:

- Proposal is for several battery projects that are under development.
- One of the projects, [REDACTED] MW in [REDACTED] sub-area is being built without a off-take agreement. The project is slated to be online by [REDACTED] [REDACTED]
[REDACTED]
- [REDACTED] has another [REDACTED] MW [REDACTED] Project, and a [REDACTED] MW [REDACTED] project that are in the ISP process with an expected COD by [REDACTED]
- The final project is in [REDACTED] with an expected COD of [REDACTED]
- PG&E shared that we need to review the compliance rules to determine what stage of development a new project needs to be in so that PG&E can count the project as meeting its compliance obligations.
- PG&E shared information about the EEI master agreement and RA confirm.
- PG&E sent master agreement draft and pointed [REDACTED] to the public RA confirm.

ACTION ITEMS/NEXT STEPS:

- PG&E to review RA rules related to new projects.
- [REDACTED] to review EEI Master Agreement/RA confirm and indicate any concerns with the transaction.

[REDACTED]
Structured Transactions
Pacific Gas and Electric Company
Office: [REDACTED]
[REDACTED] pge.com

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PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 4

From: [REDACTED]
Sent: Wednesday, August 21, 2019 2:37 PM
To: PGE RA R [REDACTED]
Cc: Charles.Janecek@PACONSULTING.com
Subject: [REDACTED] all Notes - Aug. 21, 2019

[REDACTED] call attendee: [REDACTED]

PG&E call attendees: [REDACTED] [REDACTED] [REDACTED]

IE on the call: Charles Janecek

August 21, 2019

SUMMARY:

- C/P has an ability to come online early
- [REDACTED] in [REDACTED] ([REDACTED] MW no lower than \$ [REDACTED] - \$ [REDACTED] kW- month + [REDACTED] premium):
 - PG&E needs [REDACTED] and [REDACTED]
 - The resource comes online in [REDACTED] – potential to move up a month – c/p is interested
- [REDACTED] ([REDACTED] MW) in [REDACTED] comes online in [REDACTED] – PG&E only interested in [REDACTED] months of [REDACTED]. C/P will entertain the request
- Executing party [REDACTED]

ACTION ITEMS/NEXT STEPS:

- ☐ PG&E will look at existing contract for overlap issues with Energy Storage + RA Confirm
- ☐ PG&E to send EEI Master agreement to C/P

PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED] [pge.com](mailto:[REDACTED]@pge.com)

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 5

[REDACTED]

From: [REDACTED]
Sent: Friday, August 23, 2019 3:16 PM
To: PGE RA RFO
Cc: [REDACTED] Charles.Janecek@PAConsulting.com
Subject: [REDACTED] Notes - August 23, 2019

[REDACTED] call attendees: [REDACTED]

PG&E call attendees: [REDACTED] [REDACTED]

IE on the call: Charles Janecek

August 23, 2019

SUMMARY:

- [REDACTED] states it is relatively comfortable with changes made between the original and updated form agreements. [REDACTED] does have a question about changes in Section 2.5. [REDACTED] is concerned that the timeframe for when damages are paid is removed when reference to Section 6 is removed.
- PG&E answers that the changes are designed to point to the right place in the EEI Master Agreement. [REDACTED] [REDACTED] Will check and get back to PG&E shortly.

ACTION ITEMS/NEXT STEPS:

- ☐ [REDACTED] will be sending redlines to confirm after attorney review. PG&E will review Section 2.5 concerns internally.
- ☐ [REDACTED] will provide more information on potential sales to PG&E soon.

[REDACTED]
Structured Transactions
Pacific Gas and Electric Company
Office: [REDACTED]
[REDACTED] pge.com

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PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 6

From: [REDACTED]
Sent: Thursday, August 22, 2019 9:45 AM
To: PGE RA RFO
Cc: [REDACTED] arles.Janecek@PAConsulting.com
Subject: [REDACTED] all Notes, August 21, 2019

August 21, 2019

SUMMARY:

- Attendees:
 - [REDACTED]
 - PG&E: [REDACTED]
 - IE: Charles Janecek
- Summary of Call:
 - PG&E opened the call by explaining that this communication does not indicate that the counterparty has been shortlisted.
 - [REDACTED] walked through the changes to the form. They expressed concern with revised language in Section 2.5, and requested time for additional review. Similarly, they requested time for additional review of the edited bankruptcy language.
 - [REDACTED] asked PG&E when they would receive notification of a shortlist. PG&E said the plan was to send something out by August 22, but if things were delayed, a formal notice would be sent to counterparties.
- PG&E asked if [REDACTED] had any length in NC/NB, Kern, Sierra, Stockton.
 - [REDACTED] indicated that they did not have length in these areas at this time.

ACTION ITEMS/NEXT STEPS:

- [REDACTED] will revert back on 2.5 and 5.2 (e).

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 7

[REDACTED]
From: [REDACTED]
Sent: Wednesday, August 21, 2019 4:20 PM
To: PGE RA R [REDACTED]
Cc: Charles.Janecek@PAConsulting.com
Subject: [REDACTED] Notes - Aug. 21, 2019

[REDACTED] call attendees: [REDACTED] [REDACTED] and [REDACTED] [REDACTED]

PG&E call attendees: [REDACTED] [REDACTED] [REDACTED] [REDACTED]

IE on the call: Jonathan Jacobs

August 21, 2019

SUMMARY:

- Clarification on Section 2.4 CPUC approval insert rejection – concern resolved
- Section 5.2 concern related to BK language
- No additional availability in local areas per Market Notice currently, will let PG&E know if length becomes available

ACTION ITEMS/NEXT STEPS:

- ☐ [REDACTED] to related Section 5.2 concerns/revisions to PG&E to be discussed with PG&E's commercial attorney and external BK counsel
- ☐ Potential call to discuss Section 5.2 to be scheduled afterwards

[REDACTED]
PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED] [pge.com](mailto:[REDACTED]@pge.com)

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 8

From: [REDACTED]
Sent: Tuesday, August 27, 2019 11:31 AM
To: PGE RA RFO
Cc: [REDACTED] arles.Janecek@PAConsulting.com
Subject: [REDACTED] all Notes - August 23, 2019

August 23, 2019

SUMMARY:

- Attendees:
 - [REDACTED] – [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 - PG&E: [REDACTED] [REDACTED] [REDACTED]
 - IE: Charles Janecek
- Summary of Call:
 - PG&E opened the call by explaining that this communication does not indicate that the counterparty has been shortlisted.
 - [REDACTED] flagged areas of concern regarding the form:
 - 5.1 – [REDACTED] would like to add language for future planned RA proceedings
 - 5.2 (e) – reiterate that section two applies for Chapter 11 bankruptcy
 - 5.2 (c) - language could imply unit could be offered into the CPM – need clarity
 - 8.1 (c) - strike part b (PG&E agreed)
 - 2.2 – data requests require additional work on [REDACTED] part. Could PG&E add more detail.
 - PG&E stated they would review the above, asked [REDACTED] to provide drafted language for 5.1.
 - [REDACTED] asked PG&E to confirm when the shortlist would be received. PG&E stated it would be early the week of August 26.
- PG&E asked if [REDACTED] had any length in NC/NB, Kern, Sierra, Stockton.
 - They said they have nothing to offer PG&E at this time.

NEXT STEPS:

[REDACTED] to provide language on section 5.1. PG&E to circle back to discuss form.

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 9

From: [REDACTED]
Sent: Wednesday, August 21, 2019 9:20 AM
To: [REDACTED]
Cc: Charles.Janecek@PAConsulting.com; PGE RA R [REDACTED]
Subject: RE: PG&E Multi-Year RA RF [REDACTED]

*****CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*****

Hi,

Sorry, I am not in a position to sell.

[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, August 20, 2019 3:14 PM
To: [REDACTED] <[REDACTED]>
Cc: Charles.Janecek@PAConsulting.com; PGE RA RFO <PGERARFO@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: PG&E Multi-Year RA RFO - [REDACTED]

.....CAUTION: External email: To report suspicious emails, click "Report Email" icon in Outlook. Mobile users should email [phishing@\[REDACTED\]](mailto:phishing@[REDACTED])

Hi [REDACTED]

Separate from the bid you have submitted into the Multi-Year RA RFO and consistent with the market notice we issued last Friday, I wanted to see if you have capacity in NC/NB, Kern, Stockton and Sierra for sale.

Thanks,

[REDACTED]
PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED]@pge.com

From: [REDACTED] <[REDACTED]>
Sent: Tuesday, August 20, 2019 2:58 PM
To: [REDACTED] <[REDACTED]@pge.com>
Cc: Charles.Janecek@PAConsulting.com; PGE RA RFO <PGERARFO@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: PG&E Multi-Year RA RFO - [REDACTED]

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Hi,

[REDACTED] is out of the office, which is why it will be difficult, and he would be the most appropriate person to be included.

Is there anything you could express in email and I could float here for concurrence or feedback?

Thanks,

[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, August 20, 2019 9:56 AM
To: [REDACTED] <[REDACTED]> [REDACTED] <[REDACTED]>
Cc: Charles.Janecek@PAConsulting.com; PGE RA RFO <PGERARFO@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: PG&E Multi-Year RA RFO - [REDACTED]

.....**CAUTION: External email:** To report suspicious emails, click "Report Email" icon in Outlook. Mobile users should email [phishing@\[REDACTED\]](mailto:phishing@[REDACTED])

Thanks, [REDACTED]

Appreciate an expedited reply. I would still like to setup a quick call for a follow up, if possible today or tomorrow. Could you please let me know what works for you?

Thanks!

[REDACTED]
PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED]@pge.com

From: [REDACTED] <[REDACTED]>
Sent: Tuesday, August 20, 2019 9:39 AM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]>
Cc: Charles.Janecek@PAConsulting.com; PGE RA RFO <PGERARFO@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: PG&E Multi-Year RA RFO - [REDACTED]

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

Hello,

We have looked over the edits to the confirm, and we do not believe we need to have a call to discuss the changes.

Thanks,

[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Monday, August 19, 2019 5:31 PM
To: [REDACTED] <[REDACTED]> [REDACTED] <[REDACTED]>
Cc: Charles.Janecek@PAConsulting.com; PGE RA RFO <PGERARFO@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: PG&E Multi-Year RA RFO - [REDACTED]

.....**CAUTION: External email:** To report suspicious emails, click "Report Email" icon in Outlook. Mobile users should email [phishing@\[REDACTED\]](mailto:phishing@[REDACTED])

Dear [REDACTED]

Thank you for submitting bids into PG&E's Multi-year Resource Adequacy (RA) Sale Solicitation. We received feedback from a number of parties on the RA Confirmation, and as such, have made a few revisions to the Confirmation addressing participants' concerns. The revisions are summarized at a high level below:

- **Section 2.2/2.3: Identification of a second Shown/Alternate Unit** - Language has been added to clarify that second Shown Unit and Alternate Shown Unit meet the requirements of a Shown Unit under the RA Confirmation.
- **Section 5.2: Representations and Warranties** – Language has been updated to clarify that Representations and Warranties under Section 10.2 (x) of the Master Agreement are subject to Bankruptcy Code and any order of Bankruptcy Court as defined in the Confirmation.
- **Appendix A** – Definitions updated for the benefit of Section 5.2 and to delete unused terms.

For the sake of expediency and fairness, these updates, aside from counterparty specific credit and payment related terms, will apply to all prospective counterparties. We would like to schedule some time with your team to review these changes. For ease of review, PG&E has attached to this e-mail a Confirmation showing in redline these revisions compared to the mark-up you last provided PG&E. Please note that if PG&E has accepted any of your proposed revisions to the form, they will not appear in tracked changes.

Let us know your availability for: **Tuesday, 8/20/2019 and Wednesday 8/21/2019.**

Additionally, note that this communication and subsequent conversation does not indicate that your bids have been shortlisted in this solicitation.

Thanks,

PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED] [pge.com](mailto:[REDACTED]@pge.com)

This correspondence is for discussion purposes only. It is not an offer to buy or sell. Any agreements between the parties are subject to PG&E senior management approval and the prior execution of definitive documents.

[REDACTED]

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 10

[REDACTED]
From: [REDACTED]
Sent: Tuesday, August 20, 2019 3:19 PM
To: PGE RA R [REDACTED]
Subject: [REDACTED] all Notes - Aug. 20,2019

FOR RECORD KEEPING ONLY:

[REDACTED]
PG&E: [REDACTED]
IE: Charles Janecek

August 20, 2019

SUMMARY:

- C/P is OK with the confirm changes
- No extra RA capacity to sell – always a buyer

ACTION ITEMS/NEXT STEPS:

- ☐ None

[REDACTED]
PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED] [pge.com](mailto:[REDACTED]@pge.com)

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 11

call attendee: [REDACTED]

PG&E call attendees: [REDACTED] [REDACTED] [REDACTED] [REDACTED]

IE on the call: Charles Janecek

August 21, 2019

SUMMARY:

- [REDACTED] preference for payment in arrears
- No availability for local areas mentioned in the Market Notice

ACTION ITEMS/NEXT STEPS:

☐ N/A

PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | ☒ [REDACTED] pge.com

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 12

From: [REDACTED]
Sent: Wednesday, August 21, 2019 12:11 PM
To: [REDACTED] Charles.Janecek@PAConsulting.com; PGE RA RFO
Subject: RE: Meeting to Discuss Bankruptcy Language

*****CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*****

Hi [REDACTED]

I may have up to [REDACTED] MW of [REDACTED] available in [REDACTED] at \$ [REDACTED] but I would need to obtain approval from my management prior to executing a transaction.

If you are interested, let me know.

Thank you.

[REDACTED]

From: [REDACTED] [mailto:[REDACTED]@pge.com]
Sent: Wednesday, August 21, 2019 12:34 PM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; Charles.Janecek@PAConsulting.com; [REDACTED] <[REDACTED]@pge.com>; PGE RA RFO <PGERARFO@pge.com>
Subject: RE: Meeting to Discuss Bankruptcy Language

External Sender: Use caution with links/attachments.

Thank you [REDACTED]

[REDACTED] – could you please share the volumes/price for [REDACTED] in [REDACTED]

Thanks,

[REDACTED]
PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED]@pge.com

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, August 20, 2019 3:15 PM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; Charles.Janecek@PAConsulting.com; [REDACTED] <[REDACTED]@pge.com>; PGE RA RFO <PGERARFO@pge.com>
Subject: RE: Meeting to Discuss Bankruptcy Language

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I will let [REDACTED] take over from here.

Regards,

[REDACTED]

From: [REDACTED] [mailto:[REDACTED]@pge.com]
Sent: Tuesday, August 20, 2019 3:12 PM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>;
Charles.Janecek@PAConsulting.com; [REDACTED] <[REDACTED]@pge.com>; PGE RA RFO
<PGERARFO@pge.com>
Subject: RE: Meeting to Discuss Bankruptcy Language

External Sender: Use caution with links/attachments.

[REDACTED]

What volume do you have in [REDACTED] and what price are you willing to sell that capacity for?

Thanks,

[REDACTED]
PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED]@pge.com

From: [REDACTED] <[REDACTED]@pge.com>
Sent: Tuesday, August 20, 2019 2:43 PM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; Charles.Janecek@PAConsulting.com; [REDACTED]
[REDACTED] <[REDACTED]@pge.com>
Subject: RE: Meeting to Discuss Bankruptcy Language

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

[REDACTED]

Thanks for the phone call today. We will try and get back to you tomorrow on approval of PG&E's latest redline. I have also had a discussion with [REDACTED] as promised. [REDACTED] does have [REDACTED] in [REDACTED] and [REDACTED] in [REDACTED] and beyond. There is no additional volume in [REDACTED].

Regards,

[REDACTED]

From: [REDACTED] [mailto:[REDACTED]@pge.com]
Sent: Tuesday, August 20, 2019 11:51 AM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>;
Charles.Janecek@PAConsulting.com; [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Meeting to Discuss Bankruptcy Language

External Sender: Use caution with links/attachments.

Hi [REDACTED]

Sounds good, I just sent out an invite for 2:30 PM PST meeting. Talk to you then!

Thanks,

PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED] [pge.com](mailto:[REDACTED]@pge.com)

From: [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>

Sent: Tuesday, August 20, 2019 11:23 AM

To: [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>; [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>; Charles.Janecek@PAConsulting.com; [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>

Subject: RE: Meeting to Discuss Bankruptcy Language

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

Hi [REDACTED]

I am available this all of this afternoon.

Regards,

[REDACTED]

From: [REDACTED] <[\[mailto:\[REDACTED\]@pge.com\]](mailto:[REDACTED]@pge.com)>

Sent: Tuesday, August 20, 2019 11:06 AM

To: [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>; [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>; Charles.Janecek@PAConsulting.com; [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>

Subject: RE: Meeting to Discuss Bankruptcy Language

External Sender: Use caution with links/attachments.

Hi [REDACTED]

We just had a call with [REDACTED] however want to follow up with you as well. What's your availability like today/tomorrow?

Thanks!

PG&E, Energy Procurement
Office: [REDACTED] | Cell: [REDACTED] | [REDACTED] [pge.com](mailto:[REDACTED]@pge.com)

From: [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>

Sent: Tuesday, August 20, 2019 9:49 AM

To: [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>; [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>; [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>; [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>; Charles.Janecek@PAConsulting.com; [REDACTED] <[\[REDACTED\]@pge.com](mailto:[REDACTED]@pge.com)>

Subject: RE: Meeting to Discuss Bankruptcy Language

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I have a conflict at this time but [REDACTED] should be able to handle. Adding [REDACTED] in case he is able to make it.

Regards,

[REDACTED]
[REDACTED]
[REDACTED]

-----Original Appointment-----

From: [REDACTED] [mailto:[REDACTED]@pge.com]

Sent: Tuesday, August 20, 2019 9:45 AM

To: [REDACTED]; [REDACTED]; Charles.Janecek@PAConsulting.com; [REDACTED]

Subject: Meeting to Discuss Bankruptcy Language

When: Tuesday, August 20, 2019 10:00 AM-10:30 AM (UTC-08:00) Pacific Time (US & Canada).

Where: WebEx

External Sender: Use caution with links/attachments.

Meeting to discuss Bankruptcy Language

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Attendee Access Code: [REDACTED]

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PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 13

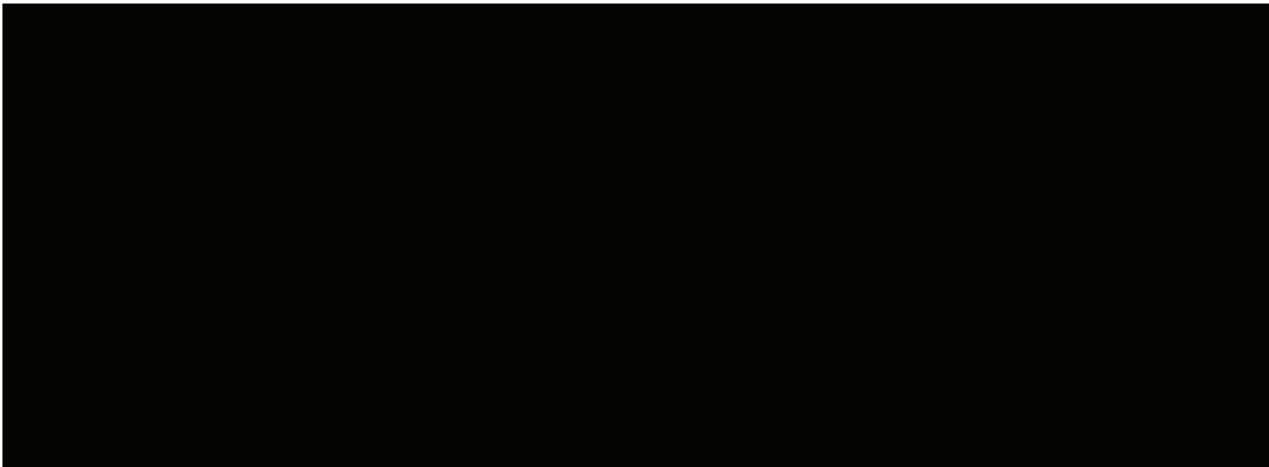
From: [REDACTED]
Sent: Monday, September 09, 2019 9:05 AM
To: [REDACTED]
Subject: FW: PG&E | Important information regarding your Multi-Year RA Sale Solicitation Bid [REDACTED]

From: [REDACTED] <[REDACTED]>
Sent: Thursday, August 29, 2019 10:49 AM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>
Cc: [REDACTED] 'PGERARFO@pge.com'; 'charles.janecek@paconsulting.com'; [REDACTED]
<[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; [REDACTED]
<[REDACTED]>
Subject: RE: PG&E | Important information regarding your Multi-Year RA Sale Solicitation Bid | --
[REDACTED]

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

Good morning [REDACTED]

Below is a table that proposes how we would arrange the local and system exchanges/transactions:



Basically, the exchange would be with the local for system, but at a greater premium (\$[REDACTED] to PG&E's benefit. Then [REDACTED] would outright sell PG&E the equivalent [REDACTED] and [REDACTED] volumes (depending on year). Does that make sense? Ultimately, both entities receive the local that they are seeking and PG&E also receives the additional system volumes in order to backfill with CAISO during its planned outages.

Please let us know if you have any questions or would like to discuss in more detail over a quick call.

Best regards,



From: [REDACTED] <[REDACTED]@pge.com>

Sent: Wednesday, August 28, 2019 5:28 PM

To: [REDACTED] <[REDACTED]@pge.com>

Cc: [REDACTED] 'PGERARFO@pge.com'; 'charles.janecek@paconsulting.com'; [REDACTED]

<[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; [REDACTED]

Subject: RE: PG&E | Important information regarding your Multi-Year RA Sale Solicitation Bid | --

[REDACTED]

[REDACTED]

Thank you for the call earlier today. We will review your comments below on the confirm. Regarding the potential system for local swaps that we discussed, could you send us some details on this proposal by end of day tomorrow? We would like to see the months, volumes, and local areas that you are considering.

Thank you,

[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>

Sent: Wednesday, August 28, 2019 8:21 AM

To: [REDACTED] <[REDACTED]@pge.com>

Cc: [REDACTED] 'PGERARFO@pge.com'; 'charles.janecek@paconsulting.com'; [REDACTED]

<[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; [REDACTED]

Subject: RE: PG&E | Important information regarding your Multi-Year RA Sale Solicitation Bid | --

[REDACTED]

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

Good morning PG&E RA Team,

Attached is the bid spreadsheet filled in with [REDACTED] accepted volumes. Per our earlier discussion, [REDACTED] would appreciate the opportunity to sell-back system RA to PG&E in those months in which [REDACTED] requested volumes were adjusted downwards. Please also note that due to how [REDACTED] upstream RA contracts are structured as contingent firm, [REDACTED] would like to edit the confirmation so that any changes on the upstream side flow down on the downstream side. And [REDACTED] would make notification to PG&E of any changes due to planned outages or NQC/EFC reductions per the notification deadline.

Additionally, we'd also like to ensure that the confirmation payment terms align so that both parties have the right to setoff payments and the amounts owed under the confirmations (meaning the buy and sell would net to the \$[REDACTED] premium payment each month). Lastly, shouldn't both legs of the exchanges be linked somehow so that if there is a failure to deliver under one, then the other is affected in the same manner – does that make sense?

We would also be open to a call to walk through some of these items.

Best regards,

[REDACTED]

[REDACTED]

From: [REDACTED] <[REDACTED]@pge.com>

Sent: Monday, August 26, 2019 8:24 PM

To: [REDACTED]

Cc: [REDACTED] 'PGERARFO@pge.com'; 'charles.janecek@paconsulting.com'; [REDACTED]

<[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>

Subject: PG&E | Important information regarding your Multi-Year RA Sale Solicitation Bid | --

[REDACTED]

Dear [REDACTED]

Please see the attached PDF document and corresponding Excel file for information regarding your bid.

Thank you,
PG&E Bid Team

PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 14

From: [REDACTED]
Sent: Monday, September 09, 2019 9:05 AM
To: [REDACTED]
Subject: FW: Available PG&E [REDACTED]
Attachments: [REDACTED] OFFER 09.09.19.xlsx

From: [REDACTED] <[REDACTED]>
Sent: Monday, September 9, 2019 8:37 AM
To: [REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; charles.janecek@paconsulting.com;
[REDACTED] <[REDACTED]@pge.com>; [REDACTED] <[REDACTED]@pge.com>; [REDACTED]@PAConsulting.com
Cc: [REDACTED]
Subject: Available PG&E [REDACTED]

*******CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*******

PG&E Team,

Per our discussions, here is our available PG&E [REDACTED] RA for [REDACTED]. As I mentioned on the phone, [REDACTED] would like to receive back [REDACTED] and [REDACTED] [REDACTED]

Let me know if PG&E has interest in this type for swap and I will continue to seek approval from [REDACTED]. All prices and volumes are indicative in nature and subject to managerial approval and execution of confirmation.

Thanks,

[REDACTED]

Telephone: [REDACTED] | Cell: [REDACTED] | Email: [REDACTED] 1

Seller: [REDACTED]
Buyer: PG&E
Product: PG&E [REDACTED]



PACIFIC GAS AND ELECTRIC COMPANY

APPENDIX A

Attachment 15

[REDACTED]

From: [REDACTED]
Sent: Friday, September 06, 2019 9:43 AM
To: [REDACTED]
Subject: RE: Shortlist notification | PG&E E-Solicitation for Local RA 2020-2022

From: [REDACTED] <[REDACTED]>
Sent: Monday, July 22, 2019 12:16 PM
To: [REDACTED] <[REDACTED]@pge.com>
Subject: RE: Shortlist notification | PG&E E-Solicitation for Local RA 2020-2022

*****CAUTION: This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*****

[REDACTED]

[REDACTED]

Regards,